



Comptroller of the Currency
Administrator of National Banks

Western District Office
1225 17th Street, Suite 300
Denver, Colorado 80202
720-475-7650; Fax: 301-333-7010

June 22, 2005

**Corporate Decision #2005-08
July 2005**

Monty Rhine
President
National Family Bank
100 Main Street, P.O. Box 100
Munden, Kansas 66959

Subject: Agreement By and Between James Levendofsky, Alan Lierz, Greg McKenzie, John Rhine, Monty Rhine, and Perry Schremmer ("Directors"), and the Office of the Comptroller of the Currency ("OCC") and Agreement By and Between National Family Bank, Munden, Kansas ("Bank"), and the OCC

Dear Mr. Rhine:

We understand that on April 27, 2005, the Federal Reserve Board of Governors ("FRB") approved the application by Republic Bancorp, Inc. ("Republic"), to become a bank holding company through the acquisition of the Bank. Republic is owned 73.75% by the Directors. We understand that this transaction was consummated on May 11, 2005.

As part of the process of reviewing and acting on applications involving national banks, the FRB requested comments from the OCC. Our comments were provided to the FRB on April 7, 2005. Subsequently, the enclosed Agreements were executed. As you are aware, the Agreements are construed to be "written agreements" within the meaning of 12 U.S.C. § 1818 and, as such, are enforceable under the law. We are enclosing copies of the Agreements for your records.

If you have any questions, please contact me at 720-475-7650.

Sincerely,
/s/

Ellen Tanner Shepherd
Director for District Licensing

AGREEMENT BY AND BETWEEN

**James Levendofsky, Alan Lierz, Greg McKenzie,
John Rhine, Monty Rhine, and Perry Schremmer,
and
The Office of the Comptroller of the Currency**

WHEREAS, pursuant to 12 U.S.C. § 1842(a), a company is required to secure the prior approval of the Board of Governors of the Federal Reserve System (“Board of Governors”) before becoming a bank holding company;

WHEREAS, on or about March 8, 2005, Republic Bancorp, Inc. (“Republic”), a corporation organized under the laws of the State of Kansas, filed an application (“Application”) with the Federal Reserve Bank of Kansas City to acquire 99.72 percent of the issued and outstanding shares of the National Family Bank, Munden, Kansas (“the Bank”), and for Republic to become a bank holding company;

WHEREAS, James Levendofsky, Alan Lierz, Greg McKenzie, John Rhine, Monty Rhine, and Perry Schremmer (“the Directors”) will own 73.75 percent of Republic;

WHEREAS, if the Board of Governors approves Republic’s Application to become a bank holding company and Republic were to subsequently acquire control of the Bank, the Directors and the Acting Comptroller (“Comptroller”) seek to protect the interests of the Bank’s depositors and other customers and seek to ensure that the Bank will operate safely and soundly and in accordance with all applicable laws, rules, and regulations;

NOW, THEREFORE, in consideration of the above premises, the Directors agree as follows:

ARTICLE I

JURISDICTION

(1) The Directors are each deemed to be an “institutional-affiliated party” (“IAP”) within the meaning of 12 U.S.C. § 1813(u)(3).

(2) This Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. §§ 1818(b)(1).

(3) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(4) This Agreement shall not be construed to be a “written agreement, order, or capital directive” within the meaning of 12 C.F.R. § 6.4.

(5) This Agreement shall not be construed to be a “formal written agreement” within the meaning of 12 C.F.R. § 5.3(g)(4).

(6) All correspondence related to this Agreement, and any information, documentation, reports, plans and/or other written submissions that the Directors have agreed to submit pursuant to this Agreement shall be forwarded, by overnight mail, to:

Michael G. Koll, Sr.
Assistant Deputy Comptroller
Office of the Comptroller of the Currency
Kansas City North Field Office
6700 Antioch, Suite 450
Merriam, Kansas 66204-1200

ARTICLE II

AGREEMENT TO BE ENTERED INTO BETWEEN THE BANK AND THE COMPTROLLER

(1) If the Board of Governors approves the Application, no later than three (3) business days after Republic acquires control of the Bank, the Directors shall cause the Bank to

enter into a written agreement with the OCC on terms and provisions acceptable to the OCC.

This written agreement between the Bank and the OCC shall require, among other things, that the Bank shall submit a Business Plan acceptable to the OCC, that the Bank shall implement and adhere to the Business Plan once accepted by the OCC, and that subsequent to implementation of the Business Plan the Bank shall not significantly deviate from the Business Plan without receiving a prior written determination of no supervisory objection from the OCC.

(2) The Directors shall take all steps necessary to ensure that the Bank develops, implements, and adheres to the Business Plan required by paragraph 1 of this Article.

(3) For the purposes of the Article, the phrase “significantly deviate” shall be construed in light of the guidance provided in Appendix G (Significant Deviations After Opening) of the “Charters” booklet of the *Comptroller’s Licensing Manual* (January 2005).

ARTICLE III

TERM OF AGREEMENT

(1) This Agreement shall become effective immediately upon its execution by all parties hereto (“Effective Date”), and shall remain in full force and effect until such time as the Directors cease to own or control Republic or the Bank for purposes of the Bank Holding Company Act (12 U.S.C. § 1841 *et. seq*), cease to be IAPs pursuant to 12 U.S.C. § 1813 (u) and Paragraph (1) of Article I of this Agreement, or the Board of Governors does not approve the Application.

ARTICLE IV

CONCLUDING PROVISIONS

(1) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon her by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(2) Any time limitations imposed by this Agreement shall begin to run from the Effective Date of this Agreement. Such time requirements may be extended in writing by the Comptroller or her duly authorized representative for good cause upon written application by the Directors.

(3) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(4) This Agreement is intended, and shall be construed to be a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the OCC or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Directors under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Directors expressly acknowledge that neither the Directors nor the OCC has any intention to enter into a contract. The Directors also expressly acknowledge that no OCC officer or employee has statutory or other authority to bind the United States, the U.S. Treasury

Department, the OCC, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the OCC's exercise of its supervisory responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or arrangements, or negotiations between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

/s/

7/13/05

Michael G. Koll, Sr.
Assistant Deputy Comptroller
Kansas City North Field Office

Date

IN TESTIMONY WHEREOF, the undersigned, has hereunto set their hands.

/s/

4/6/05

James Levendofsky

Date

/s/

4/6/05

Alan Lierz

Date

/s/

4/6/05

Greg McKenzie

Date

/s/

4/6/05

John Rhine

Date

/s/

4/6/05

Monty Rhine

Date

/s/

4/6/05

Perry Schremmer

Date

AGREEMENT BY AND BETWEEN

**National Family Bank
Munden, Kansas
and
The Office of the Comptroller of the Currency**

WHEREAS, pursuant to 12 U.S.C. § 1842(a), a company is required to secure the prior approval of the Board of Governors of the Federal Reserve System (“Board of Governors”) before becoming a bank holding company;

WHEREAS, on or about March 8, 2005, Republic Bancorp, Inc. (“Republic”), a corporation organized under the laws of the State of Kansas, filed an application (“Application”) with the Federal Reserve Bank of Kansas City, in accordance with Section 3(a)(1) of the Bank Holding Company Act of 1956 as amended (12 U.S.C. § 1841, *et seq.*), to acquire 99.72 percent of the issued and outstanding shares of the National Family Bank, Munden, Kansas (“the Bank”), and thus for Republic to become a bank holding company;

WHEREAS, in order to address the Office of the Comptroller of the Currency's (“OCC's”) concerns, James Levendofsky, Alan Lierz, Greg McKenzie, John Rhine, Monty Rhine, and Perry Schremmer (“the Directors”) and the Acting Comptroller (“Comptroller”) entered into an Agreement on 6-2 , 2005, which specified, *inter alia*, that, no later than three (3) business days after Republic acquired control of the Bank, the Directors would cause the Bank to enter into a written Agreement with the OCC requiring, among other things, that the Bank shall submit a Business Plan acceptable to the OCC, that the Bank shall implement and adhere to the Business Plan once accepted by the OCC, and that subsequent to implementation of the Business Plan the Bank shall not significantly deviate from the Business Plan without receiving a prior written determination of no supervisory objection from the OCC;

WHEREAS, the Bank and the Comptroller seek to ensure that the Bank will operate in a safe and sound manner and in accordance with all applicable laws, rules, and regulations;

NOW, THEREFORE, the OCC and the Bank, by and through its duly elected Board of Directors (“Board”), agree as follows:

ARTICLE I

JURISDICTION

1. This Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. § 1818(b)(1).

2. This Agreement shall be construed to be a “written agreement between such depository institution and such agency” within the meaning of 12 U.S.C. §§ 1818(e)(1) and 1818(i)(2).

3. This Agreement shall not be construed to be a “formal written agreement” within the meaning of 12 C.F.R. § 5.3(g)(4).

4. This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

5. This Agreement shall not be construed to be a “written agreement, order, or capital directive” within the meaning of 12 C.F.R. § 6.4.

6. All correspondence related to this Agreement, and any information, documentation, reports, plans and/or other written submissions that the Bank or Board has agreed to submit pursuant to this Agreement shall be forwarded, by overnight mail, to:

Michael G. Koll, Sr.
Assistant Deputy Comptroller
Office of the Comptroller of the Currency
Kansas City North Field Office
6700 Antioch, Suite 450

ARTICLE II

SIGNIFICANT DEVIATION FROM, OR CHANGE TO, THE BUSINESS PLAN

(1) The Bank shall not significantly deviate from or change the business, structure, management, operations, policies, procedures, and products of the Bank that existed at the time Republic agreed to acquire the Bank without first obtaining the OCC's prior written determination of no supervisory objection to such significant deviation or change.

(2) Within thirty (30) days of consummation of Republic's acquisition of the Bank, the Bank shall submit a written Business Plan to the OCC for a prior written determination of no supervisory objection. This written Business Plan shall include, at a minimum, the components outlined in the attached "Business Plan Guidelines" of the "Interagency Charter and Federal Deposit Insurance Application."

(3) Once the Bank receives a prior written determination of no supervisory objection from the OCC required by paragraph 2 of this Article, the Bank shall implement and thereafter adhere to the Business Plan. Once implemented, the Bank shall not significantly deviate from, or change, the Business Plan, without giving the OCC at least sixty (60) days prior written notice of its intent to do so, and obtaining the OCC's prior written determination of no supervisory objection to such action.

(4) For the purposes of the Article, the phrases "significantly deviate" and "significant deviation" shall be construed in light of the guidance provided in Appendix G (Significant Deviations After Opening) of the "Charters" booklet of the *Comptroller's Licensing Manual* (January 2005).

ARTICLE III

CHANGE IN DIRECTORS OR SENIOR EXECUTIVE OFFICERS

(1) For two years after the effective date of this Agreement, prior to the appointment of any individual to a position of “senior executive officer,” as defined in 12 C.F.R. § 5.51(c)(3), or the appointment of any individual to the Bank’s board of directors, the Board shall submit the following information to the Assistant Deputy Comptroller for a written determination of no supervisory objection:

- the information sought in the “Changes in Directors and Senior Executive Officers” booklet of the *Comptroller’s Licensing Manual* (January 2003), together with a legible fingerprint card for the proposed individual;
- a written statement of the Board's reasons for selecting the proposed individual; and
- a written description of the proposed individual's duties and responsibilities.

2. The requirement to submit information and the provision for a prior written determination of no supervisory objection by the OCC are based on the authority of 12 U.S.C. § 1818(b) and do not require the Comptroller or the Assistant Deputy Comptroller to complete his review and act on any such information or authority within ninety (90) days.

ARTICLE IV

CONCLUDING PROVISIONS

(1) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon her by the several laws of the

United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(2) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Comptroller or her duly authorized representative for good cause upon written application by the Board.

(3) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(4) To the extent that any of the provisions of this Agreement conflict with the terms found in any existing agreement between the Comptroller and the Bank, the provisions of this Agreement shall control.

(5) This Agreement is intended, and shall be construed to be a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the OCC or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the OCC may enforce any of the commitments or obligations herein undertaken by the Bank under its supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the OCC has any intention to enter into a contract. The Bank also expressly acknowledges that no OCC officer or employee has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the OCC’s exercise of its supervisory

responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or arrangements, or negotiations between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller, has hereunto set his hand on behalf of the Comptroller.

<u> /s/ </u> Michael G. Koll, Sr. Assistant Deputy Comptroller Kansas City North Field Office	<u> 6/14/05 </u> Date
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IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

<u> /s/ </u> James Levendofsky	<u> 6-2-05 </u> Date
<u> /s/ </u> Alan Lierz	<u> 6-2-05 </u> Date
<u> /s/ </u> Greg McKenzie	<u> 6/22/05 </u> Date
<u> /s/ </u> John Rhine	<u> 6-8-05 </u> Date
<u> /s/ </u> Monty Rhine	<u> 6-2-05 </u> Date
<u> /s/ </u> Perry Schremmer	<u> 6-2-05 </u> Date